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Supreme Court of the United States

OCTOBER TERM, 1965

No. 1023

BLANCHARD IMPORTING & DISTRIBUTING CO., INC.,
PLAINTIFF-PETITIONER,

v.

CHARLES GILMAN & SON, INC., SOCIETE E. BLANCHARD ET FILS, and MONSIEUR HENRI WINES LTD.,
DEFENDANTS-RESPONDENTS.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

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Blanchard Press, Inc., Boston, Mass. — Law Printers

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SOCIETE E. BLANCHARD ET FILS, and
MONSIEUR HENRI WINES LTD.,
DEFENDANTS-RESPONDENTS.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

Petitioner, Blanchard Importing & Distributing Co., Inc., prays that a writ of certiorari issue to review the order of the United States Court of Appeals for the First Circuit, entered in the above case on December 16, 1965.

Citation to Opinions Below

The District Court ordered the defendants to cease using "BLANCHARD" in any form for wine in Massachusetts; but not in any other state, and it also ordered cancellation

of the three trademark registrations of plaintiff-petitioner. Its opinion and decree are printed in Appendix C herein, infra, page 27, and they also appear in Plaintiff-Appellant's Record Appendix pp. 30 and 40. Said opinion is also reported in 239 Federal Supplement 827 and 145 U. S. Patents Quarterly 62.

The U. S. Court of Appeals first opinion (later cancelled) is printed in Appendix A, infra, page 17, and is reported in 147 Patents Quarterly 263. The U. S. Court of Appeals revised opinion is printed in Appendix A, infra, page 17 and is reported in 353 F.2d 400, affirming the decree of the district court.

Jurisdiction

The order of the Court of Appeals was dated and entered on December 16, 1965, at which time it entered a revised opinion of the court and denied a petition for rehearing filed by the plaintiff-appellant on November 10, 1965.

Statute Involved

The statutory provision involved is 28 U. S. C. sec. 347.

Questions Presented for Review

Plaintiff-petitioner, Blanchard Importing & Distributing Co., Inc. is the registrant of three Patent Office registrations (Appendix B, pages ~~20-27~~ 21-25) as follows:

No. 734,309

"BLANCHARD'S 777" for blended whiskey

No. 738,341

"BLANCHARD'S 874" for blended whiskey

No. 740,323
"BLANCHARD'S HAWAIIAN CRUISE"
and a design, for vodka

The district court held that plaintiff's common law rights in Massachusetts for the trademark "BLANCHARD" as the first user entitled it to an injunction forbidding defendants from using "BLANCHARD" in Massachusetts and so decreed April 30, 1965. (Appendix C, p. 36, 37)

The district court also ordered cancellation of said three trademark registrations on the ground they were primarily a surname and hence unregistrable under 15 U. S. C. A. 1052 (e) (3). (Appendix C, p. 27)

Plaintiff-petitioner appealed only from the order cancelling said trademark registrations. No defendant appealed.

The U. S. Court of Appeals first sustained the order of cancellation on another ground, namely that a defendant used "Blanchard" as a trademark in interstate commerce before plaintiff so used it. (Appendix A, p. 12) Following plaintiff-petitioner's petition for rehearing the court on December 15, 1965 cancelled its opinion and filed a revised opinion holding that a defendant's alleged prior use of "BLANCHARD" in a firm name in 1933 rendered the registrations invalid. (Appendix A, p. 17)

Defendants' only product is wine insofar as use of "BLANCHARD" is concerned. Plaintiff-petitioner applies "BLANCHARD" in various forms to whiskey and other distilled alcoholic liquors and also to wine. (Appendix C, p. 28)

The questions presented are:

1. Whether the use of "Blanchard" as part of a firm name on a label for wine legally justifies an order cancelling U. S. Patent Office registrations of two trademarks for whiskey and one for vodka, each of which bore the

trademark "Blanchard's" together with either numerals or other wording. (Appendix B, p. ~~23-27~~ 21-25)

2. Whether the U. S. Court of Appeals can lawfully add a finding amounting to a reversal (that a defendant used "Blanchard" in 1933) which was not found by the district court and is contrary to the latter's finding that he would not find that the labels bearing the name "E. Blanchard et Fils" were used by E. Blanchard et Fils between 1933 and 1951. (Defendant did not appeal.)

3. Whether the decision of the district court ordering cancellation of said trademark registrations on the ground that the trademarks are merely a surname, which is not overruled by the U. S. Court of Appeals (hence remains in effect) is legally justified in view of contrary decisions of many year's standing by Patent Office officials in acting upon trademarks that include a surname.

4. Whether the loading of wine bearing a label "Shipped By E. Blanchard & Fils" at France on October 1933 destined for a firm in New York, N. Y. (Defendant-appellee's Appendix pp. 47-48) before the Prohibition amendment to the Constitution was repealed (on December 8, 1933) constituted a use of a business name in foreign commerce upon which a petition to cancel said trademark registrations can lawfully be based. (There was no proof of its arrival in New York)

5. Whether earlier use of a label bearing merely the information "Shipped By E. Blanchard & Fils" applied to wine loaded on ship at France and destined to a firm in New York state constitutes such use of "Blanchard" as to justify the cancellation of petitioner-plaintiff's three registrations for whiskey or vodka all of which include a numeral or lettering and a design in addition to the word "Blanchard's".

6. Whether the three trademark registrations in issue which include a surname (BLANCHARD'S) and numerals

or lettering (777 or 874 or HAWAIIAN CRUISE & a design) can lawfully be cancelled because another firm allegedly used earlier on a label the same surname in its firm name (E. BLANCHARD ET FILS), in view of the fact that it was solely the numerals or lettering that made the trademarks registrable on the Principal Register in the Patent Office.

7. Whether in view of the outstanding decree enjoining defendants from using the name or trademark "Blanchard" for wines in Massachusetts, is a lower court legally justified in ordering cancellation of plaintiff-petitioner's said Patent Office trademark registrations for whiskey and for vodka that include the trademark "Blanchard's", solely on the basis of the use of "Blanchard" by a defendant as part of its firm name.

Statement

The plaintiff-petitioner, Blanchard Importing & Distributing Co., Inc. is a wholesaler of alcoholic liquors, including whiskey, vodka and wines. It is incorporated under the laws of Massachusetts and has its principal place of business at Boston in that state. It does an interstate business and applied to the Patent Office for the three registrations at issue and received them.

It is associated with an original plaintiff, Blanchard & Co., Inc., a Massachusetts corporation organized in 1934, and selling alcoholic liquors at retail. Petitioner's rights in the trademarks of the registrations derived from Blanchard & Co., Inc.

The defendants are concerned with the sale of wine only insofar as this case is concerned. The defendant, Charles Gilman & Son, Inc., was a wholesaler of the wines, and has been a rather minor party in this case. The intervenor-defendant, Societe E. Blanchard et Fils, is a French firm

that produced the wine and sells it in the United States, using the name "BLANCHARD" in some form, first as a firm name, and in the 1960's as a trademark also.

The intervenor-defendant, Monsieur Henri Wines, has been the distributor of the wines of Societe E. Blanchard in the United States since 1951, and it sold the wines to the defendant, Charles Gilman & Son, Inc., in Massachusetts, which brought about this litigation. The defendants are referred to respectively as *Gilman, Societe Blanchard,* and *Monsieur Henri.* The plaintiff-petitioner is referred to as *Blanchard Importing.*

Before the trial it was stipulated as to the authenticity of certain documents showing E. Blanchard & Fils (later called Societe Blanchard) in October 1933 loaded wine on a steamship at France and destined for the Chambit Company at New York. This wine bore a label on which "Blanchard" appeared only as

"SHIPPED BY E. BLANCHARD & FILS" (Appendix D)

There was no proof or stipulation that the wine ever arrived in the United States. (Defendants-appellees Appendix pp. 47, 48.)

It was these documents upon which the Court of Appeals based its additional independent finding that Societe Blanchard shipped wine bearing the label "E. Blanchard et Fils" to this country in 1933. (Appendix A, p. 19)

Reasons for Granting the Writ

(Reasons are numbered to correspond with numbers that are given Questions Presented)

1. The decision ordering cancellation of registrations of trademarks for distilled alcoholic liquors (either whiskey or vodka) is wrong and legally unjustified merely because

a defendant on a wine label used "Blanchard" in its firm name earlier, as alleged, than petitioner-plaintiff's use, since it conflicts with decisions holding that wines and distilled alcoholic liquors are not only separately classified by the Patent Office; but are not confusing because they are in separate categories, hence each is registrable even though the trademarks are the same or very similar. See *Supreme Wine Co., Inc.* v. *American Distilling Co.*, 203 F. Supp. 736, 133 USPQ 322 (S. D. N. Y. 1962), also see *In re National Distillers and Chemical Corporation,* 132 USPQ 271 (CCPA 1962) distinguishing between wine and rum, by U. S. Court of Customs and Patent Appeals, and *Hood River Distillers, Inc.* v. *Myers,* 141 USPQ 499 decided by Court of Customs and Patent Appeals, and *Peyrat* v. *Renault,* 148 U.S.P.Q. 77, 81.

2. The decision of the court below adding a finding that a defendant used "Blanchard" in 1933 in a firm name, is an additional finding not made by the court below and amounts to a reversal of the district court's finding that he would not find that labels bearing the name "E. Blanchard et Fils" were used by E. Blanchard et Fils between 1933 and 1951 (Appendix C, p. 31) It violates basic law that a party not appealing cannot obtain a finding contrary to that made in the lower or district court. The district court additionally found:

> "15. I do not credit the hearsay testimony to the effect that the labels admitted in evidence as Exhibits 34-37 were used by E. Blanchard et Fils on shipments into the United States some time between 1933 and 1951, which years antidate the distributor-relationship between Monsieur Henri Wines, Ltd. and Societe E. Blanchard et Fils. (Appendix C, p. 31, and label shown in Appendix D, p. 39).

It also found:

> "14. I find that the evidence does not establish any use of the name 'Blanchard' by either defendant as a trademark prior to plaintiffs' first use in commerce of the word 'Blanchard'." (Appendix C, p. 30)

3. The decision of the district court ordering the cancellation of the three trademark registrations (Appendix B, p. 37) on the ground that they are primarily merely a surname which ground was not adopted by the U. S. Court of Appeals, was not overruled, hence it remains in effect. See *Peyrat* v. *Renault & Sons,* 148 U. S. Patents Quarterly 81 for a similar situation. This district court decision conflicts with the decisions by Assistant Commissioners of Patents in *Ex parte Norquist,* 109 USPQ 399, *Ex parte Dalleoux,* 83 USPQ 262, and *Ex parte The B. F. Goodrich Company,* 89 USPQ 283, which decisions were the legal basis for the Patent Office registering thousands of trademarks on the Principal Register, and which has invalidated these registrations, and created confusion and doubt amongst Patent Office officials.

4. The Court of Appeals additionally found that a defendant shipped wine bearing the label "E. Blanchard et Fils" to this country in 1933 (from France) (revised opinion, Appendix A, p. 19) Since the Prohibition amendment to the U. S. Constitution was effective until December 8, 1933, and thereafter no state had enacted laws permitting the sale of alcoholic liquors therein until 1934, (New York state July 1, 1934, New York Statutes, 1934, chapter 478), if such a shipment reached the United States, it arrived in violation of the law, hence was not a valid or lawful use in commerce such as to justify the cancellation of petitioner's trademark registrations. (Note—the stipulation provided only that records showed that a shipment of wine was "destined for the Chambit Company at New

York'' on October 23, 1933, and there was a letter confirming the loading of the wine. Defendant-appellee's Appendix pp. 47, 48). There is no proof whatsoever that the wine ultimately reached the United States.

5. Petitioner-plaintiff's registrations include ''Blanchard'' as part only of a trademark. The additional parts ''777'', ''874'', or ''Hawaiian Cruise'' and an involved design constitute an important part of the trademark in each instance, and they were registrable only because of these additional parts. The name ''Blanchard'' alone was not registrable on the Principal Register because it is a surname. There is no justification for ordering cancelling of the registrations because a defendant used ''Blanchard'', in France, as part of a shipper's firm name on a label. See *Macaulay* v. *Malt-Diastase Co.*, 4 F.2d 944 decided by the U. S. Court of Appeals, D. of C. See also decisions following the foregoing case in *Meyer* v. *Interatlantic,* 89 USPQ 87, and 89 USPQ 441, and *Montgomery Ward* v. *Sears Roebuck,* 9 US Patents Quarterly 524, and *R. J. Moran Co.* v. *Gordon,* 101 USPQ 206, all following the first-named decision.

6. The only use of ''Blanchard'' by a defendant that was allegedly earlier than use by petitioner-plaintiff, was a label bearing merely the information ''Shipped By E. Blanchard & Fils'' applied to wine consigned to the United States in October 1933 (during Federal Prohibition). Such an identification of the shipper by name is far from being sufficient to justify cancellation of the three trademark registrations in issue, registered in the class 49 for Distilled Alcoholic Liquors because the defendant has an inherent right to use its name hence no damage could result to said defendant. Defendant did not use ''Blanchard'' as a trademark in any form until the 1960's (Appendix C, p. 30) and then only as ''Domaine Blanchard''. There is nothing in the trademark statute that such identification

of a shipper's name on a label is a basis for cancelling said registrations. The retail liquor corporation, Blanchard & Co., Inc., which was the predecessor in the use of the trademarks registered, now owned by petitioner-plaintiff, Blanchard Importing & Distributing Co., Inc. was organized in 1934 under that name and sold alcoholic liquors (Appendix C, p. 28) which was done as soon as Massachusetts laws permitted the sale of alcoholic liquors after repeal of the Prohibition Act. It is most unfair under such circumstances to order cancellation of trademark registrations because a defendant allegedly consigned some wine in France to a consignee in New York state at a time when the Federal Prohibition amendment was in effect.

7. There is outstanding the district court decree enjoining defendants from using the name or trademark "Blanchard" for wines in Massachusetts. In view of this, the order to cancel the registrations creates a confusing situation since petitioner is branching out into other states in the natural growth of its business and "Blanchard" is its trademark as well as part of its firm name. Under such circumstances a Federal registration is a practical necessity. The cancellation of its trademark registrations for distilled alcoholic liquors needlessly creates uncertainty in its business. Now neither the petitioner nor any defendant can obtain registrations of trademarks that include "Blanchard" on the Principal Register in the liquor business. There is, of course, no objection by petitioner to a defendant using the name "Societe E. Blanchard et Fils" and the district court decree provided for that. (Appendix C, p. 37)

The statement by the court below that

> "The defendants introduced evidence of their prior use of the marks in question to the effect that Societe

> Blanchard shipped wine bearing the label 'E. Blanchard et Fils'" (Revised Opinion, Appendix A, p. 19).

is erroneous since there is no evidence that the defendants ever used the marks of the three registrations at any time nor did any defendant so allege or claim. This provides a false ground which could lead to a misunderstanding in another action between the parties now pending.

Conclusion

For the foregoing reasons, this petition for a writ of certiorari should be granted. The case is of great importance to trademark users, selling goods in all fields, because Patent Office registrations issued to them are invalidated by the decisions of the two courts below, should they stand.

Respectfully submitted,

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Appendix A

United States Court of Appeals
For the First Circuit

No. 6573.

BLANCHARD IMPORTING & DISTRIBUTING CO., INC.,

PLAINTIFF, APPELLANT,

v.

CHARLES GILMAN & SON, INC., ET AL.,

DEFENDANTS, APPELLEES.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

Before ALDRICH, *Chief Judge,* HAMLIN, *Senior Circuit Judge,** MCENTEE, *Circuit Judge.*

Harold E. Cole for appellant.

Edward F. Levy, with whom *William H. Taylor, Jr.*, was on brief, for appellees.

OPINION OF THE COURT.

November 1, 1965.

MCENTEE, *Circuit Judge.* This is an appeal from a decree of the district court ordering the cancellation of three federal trademark registrations owned by the plaintiff, Blanchard Importing & Distributing Co., Inc. The trademark registrations in issue are: BLANCHARD'S 777 for blended whiskey (No. 734,309), BLANCHARD'S 874 for blended whiskey (No. 738,341), and BLANCHARD'S HAWAIIAN CRUISE & design for vodka (No. 740,323). The plaintiffs, both Massachusetts corporations, are Blanchard & Co., Inc., a

*Sitting by designation.

retail liquor dealer, and Blanchard Importing & Distributing Co., Inc., an importer and wholesaler of alcoholic beverages. The defendants are Charles Gilman & Son, Inc., a Massachusetts liquor distributor; Societe E. Blanchard et Fils, a French corporation engaged in the production, bottling and distribution of wines; and Monsieur Henri Wines, Ltd., of New York, the exclusive importer in the United States of the wines bottled by Societe E. Blanchard et Fils.

Plaintiffs sought recovery under the Lanham Act, 15 U.S.C. § 1051 et seq. for infringement of these three trademark registrations and also for common law unfair competition. The complaint alleges that the defendants in selling alcoholic liquors under the mark and business name "BLANCHARD," using such designations as "DOMAINE BLANCHARD" and "E. BLANCHARD" infringed said registered trademarks. The defendants denied this and counterclaimed seeking a declaratory judgment that plaintiff's said trademark registrations are invalid and void, and should be cancelled. The basis for this counterclaim is that the defendants used the said trade name in interstate commerce prior to plaintiff's use of "BLANCHARD" in interstate commerce.

The district court enjoined the defendants from further use of the name or trademark "BLANCHARD" on wines in Massachusetts but ordered cancellation of the three trademark registrations in question. Only the plaintiff, Blanchard Importing & Distributing Co., Inc., appealed and its appeal is limited to that portion of the decree ordering cancellation of its three registrations.

The uncontroverted evidence shows that Blanchard & Co., Inc. used the name "BLANCHARD" on labels affixed to its products as early as 1934 in Massachusetts. However, it was not until June 27, 1961, shortly after it was organized,

that Blanchard Importing sold its liquor products in interstate commerce.[1]

The defendants introduced evidence of their prior use of the marks in question to the effect that Societe Blanchard shipped wine to this country in 1933; that from 1951 to 1957 its wines were sold in the United States through the defendant, Monsieur Henri Wines, Ltd. of New York, bearing the label "ANJOU WINE shipped by E. Blanchard & Fils", etc.; that in 1957 the label was changed to

"DOMAINE BLANCHARD
ROSE D ANJOU."

Appellees' wines bearing this label were sold in interstate commerce from 1957 to early 1962 when a change was made enlarging the words "DOMAINE BLANCHARD" and reducing the size of the words "ROSE D ANJOU." A final alteration eliminating the term "DOMAINE" was effected in late 1962 and it is this label that is still being used by appellees.

The district court in ordering cancellation, based its decision on the ground that said registrations "have not become distinctive of said plaintiff's goods in interstate commerce," citing in its opinion the section of the Lanham Act prohibiting registration of marks which are primarily surnames.[2]

We shall not concern ourselves here with the question of whether appellant's trademarks consist of a mark which is primarily a surname. Rather, we prefer to sustain the

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[1] Appellant's registrations, which were obtained in 1962, indicate that the date of first use in interstate commerce of the "Blanchard" trademarks by plaintiffs was June 27, 1961.

[2] 15 U.S.C. § 1052 provides in part:

"No trademark by which the goods of an applicant may be distinguished from the goods of others shall be refused registration on the Principal Register on account of its nature unless . . . (e) consists of a mark which . . . (3) is primarily merely a surname; . . . .

"(f) . . . nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce."

order cancelling the trademark registrations on the ground that appellees' prior use of the term "DOMAINE BLANCHARD" rendered these registrations invalid.

As between conflicting claimants, it is well settled that the right to use the same mark is based on priority of appropriation. *Columbia Mill Co.* v. *Alcorn*, 150 U.S. 460 (1893); *American Foods, Inc.* v. *Golden Flake, Inc.*, 312 F.2d 619, 625 (5th Cir. 1963), and that prior use of a trademark is a valid ground for cancellation. *California Piece Dye Works* v. *California Hand Prints*, 159 F.2d 871 (C.C. P.A. 1947).

It is undisputed that appellees used the label "DOMAINE BLANCHARD, ANJOU WINE" in commerce in 1957 prior to appellant's use in commerce in 1961. However, the district court in declining to base its order of cancellation on prior use, found that the appellees did not use this label as a *technical trademark* during that period; that it was not until after 1961 when the words "DOMAINE BLANCHARD" were enlarged and the word "DOMAINE" eventually eliminated, that appellees' use could be considered a trademark use. The reason stated by the district court in support of its finding is that the use by the appellees of the name Blanchard on the 1957 labels "served only to name the producer of the goods and not to identify or denominate or signify the goods themselves."

This conclusion is contrary to well established authority that the function of a trademark is not to identify the goods themselves, but rather to indicate the source of origin of the goods, i.e., the manufacturer or distributor. The term "trademark" includes any word, name, symbol, or any combination thereof, the purpose of which is to identify the origin or ownership of the article to which it is attached and to distinguish it from like articles manufactured or sold by others. 15 U.S.C. § 1127. See also *Columbia Mill*

Co. v. *Alcorn, supra,* at 463. *Application of Swift & Co.,* 223 F.2d 950, 953 (C.C.P.A. 1955).

In focusing attention upon the label used by the appellees from 1957 to 1962 it is readily apparent that the words "DOMAINE BLANCHARD" serve to identify the source or origin of the wine and to distinguish the goods from other wines produced in the Anjou district of France and elsewhere. The mere fact that the words "DOMAINE BLANCHARD" are not as large as the words ROSE D ANJOU is of little consequence.

There is also ample authority for the proposition that the right to cancellation is not limited to those who have made prior use of the term as a technical trademark. Any prior use of a name or word is sufficient to warrant cancellation on the ground that the prior user is injured by such registration. *California Piece Dye Works* v. *California Hand Prints, supra; Bellbrook Dairies* v. *Hawthorn-Mellody Farms Dairy,* 253 F.2d 431 (C.C.P.A. 1958); *Krank* v. *Philippe,* 295 F. 1001 (D.C. Cir. 1924); *Lever Bros. Co.* v. *Nobio Products,* 103 F.2d 917 (C.C.P.A. 1939); *Bellbrook Dairies* v. *Bowman Dairy Co.,* 273 F.2d 620, 623 (C.C.P.A. 1960).

From an examination of the entire record, we conclude that the appellant's three trademark registrations are invalid and the decree ordering the cancellation thereof is hereby affirmed on the ground stated herein.

Affirmed.

United States Court of Appeals
For the First Circuit

No. 6573.

BLANCHARD IMPORTING & DISTRIBUTING CO., INC.,

PLAINTIFF, APPELLANT,

v.

CHARLES GILMAN & SON, INC., ET AL.,

DEFENDANTS, APPELLEES.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

Before ALDRICH, *Chief Judge,* HAMLIN, *Senior Circuit Judge,** and MCENTEE, *Circuit Judge.*

Harold E. Cole for appellant.

Edward F. Levy, with whom *William H. Taylor, Jr.*, was on brief for appellees.

REVISED OPINION OF THE COURT.

December 16, 1965.

MCENTEE, *Circuit Judge.* This is an appeal from a decree of the district court ordering the cancellation of three federal trademark registrations owned by the plaintiff, Blanchard Importing & Distributing Co., Inc. The trademark registrations in issue are: BLANCHARD'S 777 for blended whiskey (No. 734,309), BLANCHARD'S 874 for blended whiskey (No. 738,341), and BLANCHARD'S HAWAIIAN CRUISE & design for vodka (No. 740,323). The plaintiffs, both Massachusetts corporations, are Blanchard & Co., Inc., a retail liquor dealer, and Blanchard Importing & Distrib-

*Sitting by designation.

uting Co., Inc., an importer and wholesaler of alcoholic beverages. The defendants are Charles Gilman & Son, Inc., a Massachusetts liquor distributor; Societe E. Blanchard et Fils, a French corporation engaged in the production, bottling and distribution of wines; and Monsieur Henri Wines, Ltd., of New York, the exclusive importer in the United States of the wines bottled by Societe E. Blanchard et Fils.

Plaintiffs sought recovery under the Lanham Act, 15 U.S.C. § 1051 et seq. for infringement of these three trademark registrations and also for common law unfair competition. The complaint alleges that the defendants in selling alcoholic liquors under the mark and business name "BLANCHARD," using such designations as "DOMAINE BLANCHARD" and "E. BLANCHARD" infringed said registered trademarks. The defendants denied this and counterclaimed seeking a declaratory judgment that plaintiff's said trademark registrations are invalid and void, and should be cancelled. The basis for this counter-claim is that the defendants used the trade name "BLANCHARD" long prior to plaintiff's use of said trade name.

The district court enjoined the defendants from further use of the name or trademark "BLANCHARD" on wines in Massachusetts but ordered cancellation of the three trademark registrations in question. Only the plaintiff, Blanchard Importing & Distributing Co., Inc., defendant in counterclaim appealed, and its appeal is limited to that portion of the decree ordering cancellation of its three registrations.

It is not clear from the record when Blanchard & Co. first used the name "Blanchard" on its labels. There is testimony of such use in 1938 or 1939. However, there is no evidence in the record of any earlier use of that name on its labels by Blanchard & Co. The first use by Blanchard Importing was in 1961.

The defendants introduced evidence of their prior use of the marks in question to the effect that Societe Blanchard shipped wine bearing the label "E. Blanchard et Fils" to this country in 1933 and that further shipments bearing this label were made in January, 1934 and in 1935, 1936 and 1937.

The district court in ordering cancellation, based its decision on the ground that said registrations "have not become distinctive of said plaintiff's goods in interstate commerce," citing in its opinion the section of the Lanham Act prohibiting registration of marks which are primarily surnames.[1]

We shall not concern ourselves here with the question of whether plaintiff's trademarks consist of a mark which is primarily a surname. Rather, we prefer to sustain the order cancelling the trademark registrations on the ground that defendants' prior use of the term "BLANCHARD" rendered these registrations invalid.

As between conflicting claimants, it is well settled that the right to use the same mark is based on priority of appropriation. *Columbia Mill Co.* v. *Alcorn,* 150 U.S. 460 (1893); *American Foods, Inc.* v. *Golden Flake, Inc.,* 312 F.2d 619, 625 (5th Cir. 1963), and that prior use of a trademark is a valid ground for cancellation. *California Piece Dye Works* v. *California Hand Prints,* 159 F.2d 871 (C.C.P.A. 1947).

From the record, it appears that the defendants used the label "Blanchard" in commerce prior to plaintiff's use.

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[1] 15 U.S.C. § 1052 provides in part:

"No trademark by which the goods of an applicant may be distinguished from the goods of others shall be refused registration on the Principal Register on account of its nature unless . . . (e) consists of a mark which . . . (3) is primarily merely a surname; . . . .

"(f) . . . nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce."

However, the district court in declining to base its order of cancellation on prior use, found that the defendants did not use this label as a *technical trademark.*

There is ample authority for the proposition that the right to cancellation is not limited to those who have made prior use of the term as a technical trademark. Any prior use of a name or word is sufficient to warrant cancellation on the ground that the prior user is injured by such registration. *California Piece Dye Works* v. *California Hand Prints, supra; Bellbrook Dairies* v. *Hawthorn-Mellody Farms Dairy,* 253 F.2d 431 (C.C.P.A. 1958); *Krank* v. *Philippe,* 295 F. 1001 (D.C. Cir. 1924); *Lever Bros. Co.* v. *Nobio Products,* 103 F.2d 917 (C.C.P.A. 1939); *Bellbrook Dairies* v. *Bowman Dairy Co.,* 273 F.2d 620, 623 (C.C.P.A. 1960).

From an examination of the entire record, we conclude that the plaintiff's three trademark registrations are invalid and the decree ordering the cancellation thereof is hereby affirmed on the ground stated herein.

Affirmed.

United States Patent Office

734,309
Registered July 10, 1962

PRINCIPAL REGISTER
Trademark

Ser. No. 123,403, filed July 5, 1961

Blanchard's
777

Blanchard Importing & Distributing Co., Inc. (Massachusetts corporation)
882 Harrison Ave.
Boston, Mass.

For: BLENDED WHISKEY, in CLASS 49.
First use June 1955; in commerce June 27, 1961.

United States Patent Office

738,341
Registered Sept. 25, 1962

PRINCIPAL REGISTER
Trademark

Ser. No. 123,402, filed July 5, 1961

Blanchard Importing & Distributing Co., Inc. (Massachusetts corporation)
882 Harrison Ave.
Boston, Mass.

For: BLENDED WHISKEY, in CLASS 49.
First use 1939; in commerce June 27, 1961.

23

United States Patent Office

740,323
Registered Nov. 6, 1962

PRINCIPAL REGISTER
Trademark

Ser. No. 123,401, filed July 5, 1961

Blanchard Importing & Distributing Co., Inc. (Massachusetts corporation)
882 Harrison Ave.
Boston, Mass.

For: BOTTLED ALCOHOLIC DRINK CONTAINING VODKA DILUTED WITH ORANGE FLAVORING, in CLASS 49.

First use Apr. 1, 1961; in commerce June 27, 1961.

No claim is made to the word "Screwdriver" apart from the mark shown.

The drawing is lined for orange.

Appendix C

OPINION

(as amended by Order of June 2, 1965)

March 31, 1965

CAFFREY, D.J.

1. This is a civil action arising under the trademark laws of the United States, 15 U.S.C.A. 1051, et seq. Jurisdiction is based on 28 U.S.C.A. 1338. Plaintiffs are Blanchard & Co., Inc. and Blanchard Importing & Distributing Co., Inc., corporations organized and existing under the laws of the Commonwealth of Massachusetts. Each has a usual place of business in Boston, Massachusetts, and each is engaged in the sale of alcoholic beverages. Defendants are Charles Gilman & Son, Inc., a Massachusetts corporation with a usual place of business in Cambridge, Massachusetts; Societe E. Blanchard et Fils, a corporation organized and existing under the laws of the Republic of France, with a usual place of business at St. Lambert du Lattay, France; and Monsieur Henri Wines, Ltd., a corporation organized and existing under the laws of the State of New York with a principal place of business in Brooklyn, New York. Societe E. Blanchard et Fils is a producer, bottler, and distributor of wines, and Monsieur Henri Wines, Ltd. is and has been since 1951 the exclusive importer in the United States of the wines bottled and distributed by Societe E. Blanchard et Fils. The case was tried to the Court.

2. Blanchard Importing & Distributing Co., Inc. commenced to sell alcoholic liquor in both intrastate and interstate commerce, either by itself or by its licensee, including whisky, wines and champagne, on June 27, 1961, and has continued to do so up to the time of trial. Such sales are made in Massachusetts, Rhode Island, and Connecticut.

Blanchard & Co., Inc. was organized as a Massachusetts corporation in 1934 and has sold alcoholic beverages only at retail in Boston, Massachusetts, since that time.

3. Blanchard Importing is the owner of United States trademark registration number 734,309 issued July 10, 1962, United States trademark registration number 738,341 issued September 25, 1962, and United States trademark registration number 740,323 issued November 6, 1962, each of which is in effect and in good standing, has been used in interstate commerce, and applied to bottles containing alcoholic beverages.

4. Blanchard & Co., Inc. has sold alcoholic beverages in Massachusetts continuously since 1934. It has built up a substantial volume of business, commonly and favorably known as Blanchard and "Blanchard's," in the Greater Boston metropolitan area. Blanchard Importing has shared in the favorable reputation and good will that has been built up in the Greater Boston area for the names Blanchard and Blanchard's.

5. The three trademarks referred to in paragraph 3, which include "Blanchard's" have been applied by both plaintiffs to whiskey and vodka. The trademark "Blanchard," standing alone, has been applied to champagne and wine by Blanchard Importing in intrastate commerce in Massachusetts and in interstate commerce.

6. Plaintiffs have acquired and enjoy a valuable reputation and good will in the Eastern part of Massachusetts for the business name "Blanchard" and "Blanchard's." This has been acquired by extensive use of advertising, store displays, promotions to liquor dealers, and other sales devices.

7. Defendant Monsieur Henri Wines, Ltd. is engaged in the sale of alcoholic beverages and at least by the time of the trial of the instant case had full knowledge of plaintiffs' trademark and business names "Blanchard" and "Blanchard's." Monsieur Henri Wines, Ltd. has sold alcoholic

beverages in New York, Massachusetts, and in many other states, in bottles bearing the trade names "E. Blanchard et Fils." "Domaine Blanchard," and "Blanchard."

8. In addition to the three trademarks described in paragraph 3 above, Blanchard Importing has registered the trademark "Blanchard" on the supplemental register of the United States Patent Office. This registration, bearing the number 748,258, was obtained April 16, 1963, for use on wines and champagnes in Class 47. A label reading "Blanchard's 100% Pure California Wine—Sherry" was approved under the Federal Alcohol Administration Act on October 10, 1952. This label indicated that the Sherry was bottled expressly for Blanchard & Company.

9. Pursuant to the provision of Mass. G.L. ch. 110, sec. 8, Blanchard & Co. registered a label reading "Blanchard's 874 Brand Blended Whisky" on October 30, 1952; a label reading "Blanchard's 100% Pure California Wine—Sherry" on November 12, 1952, and a label reading "Blanchard's MARQUEE Bourbon Whisky or Blend" on October 30, 1952.

10. Plaintiffs seek recovery herein both under the Lanham Act on the basis of their federally registered trademarks and in a count best described as setting forth an alleged cause of action for common law unfair competition. Plaintiffs seek an accounting and injunctive and other relief against defendants.

11. It was stipulated during the course of the trial that defendant Charles Gilman & Son, Inc. has ceased to handle any of the allegedly offending products and that no relief is sought against Gilman. The two intervening defendants, Societe E. Blanchard Et Fils and Monsieur Henri Wines, Ltd., have counterclaimed for a cancellation of plaintiffs' trademark registrations and other relief.

Re the Lanham Act Claim

12. Plaintiffs' registrations entitle them to certain evidentiary advantages in the trial of this case. 15 U.S.C.A. 1057(b) provides:

> "A certificate of registration of a mark upon the principal register . . . shall be prima facie evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to use the mark in commerce in connection with the goods or services specified in the certificate, subject to any conditions and limitations stated therein."

And see 68 Harv. L.Rev. 814, 828 (1955).

13. Defendants' principal line of attack on the validity of these registrations is an attempt to show that they are invalidated by defendants' use in commerce of the word "Blanchard" as a trademark prior to the first such use by the plaintiffs as indicated by the dates of Blanchard Importings registrations. Each of plaintiffs' registrations indicates that the date of first use in commerce for that registration was June 27, 1961. Defendants have attempted to establish that various forms of word "Blanchard" were used by Societe E. Blanchard et Fils on labels prior to June 27, 1961.

14. I find that the evidence does not establish any use of the name "Blanchard" by either defendant as a trademark prior to plaintiffs' first use in commerce of the word "Blanchard," and I find that defendants' exhibits 1-A through 3-A (which are labels bearing the word "Blanchard" combined with various other words or names) do not tend to identify directly the goods to which the labels would be attached. On the contrary, I find that defendants' labels insofar as they contained the name "Blanchard" operated primarily merely to identify the business unit from which the wines would emanate. I find that the use of the name "Blanchard" on these labels by defendants

served only to name the producer of the goods and not to identify or denominate or signify the goods themselves. These labels contrast sharply with defendants' Exhibit 4-A, which is the first in a series of labels from which can be found an attempt on the part of the defendants to downgrade the other material in the earlier labels and to give prominence only to the name "Blanchard." I find that this label (4-A) did not come into use by defendants until after the date of plaintiffs' first use in commerce and I find no merit in defendants' claim to have been the first to use the name "Blanchard" or "Blanchard's" as a distinctive label, trademark, or trade name.

15. I do not credit the hearsay testimony to the effect that the labels admitted in evidence as Exhibits 34-37 were used by E. Blanchard et Fils on shipments into the United States some time between 1933 and 1951, which years antidate the distributor relationship between Monsieur Henri Wines, Ltd. and Societe E. Blanchard et Fils.

16. Despite Blanchard's Importings enjoyment of the statutory presumption quoted above and despite defendants' failure to show their use of the word "Blanchard" at a time prior to Blanchard's Importings use thereof, Blanchard Importings may not prevail on the Lanham Act count because it appears that plaintiffs' purported trademarks do not satisfy the requirements of 15 U.S.C.A. 1052(e) (3), which provides in pertinent part:

> "No trademark by which the goods of an applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it . . . (e) consists of a mark which . . . (3) is primarily merely a surname."

17. I find and rule that Blanchard Importings three trademarks are primarily merely a surname, that the material other than the word "Blanchard's" contained in each of the three marks does not obviate the bar of Section

1052(e) (3), and that consequently these three trademarks were improperly issued, should be, and hereby are, cancelled.

18. In so ruling I have in mind that the totality of the evidence adduced at the trial, even aided by the statutory presumption, fails to establish that Blanchard Importings registered trademarks have become distinctive of Blanchard Importings goods in commerce. Putting it another way, I am not satisfied that Blanchard Importings trademarks have acquired any secondary meaning in interstate commerce as that term is used in the cases interpretive of the Lanham Act.

19. The most that the record in this case establishes is that plaintiffs have acquired a secondary meaning for their trademarks only in intrastate commerce in the metropolitan Boston area. The mere fact that the plaintiff Blanchard Importing has engaged in a limited number of shipments into Rhode Island and Connecticut, and possibly into Vermont, while probative of the fact that Blanchard Importings was engaged in interstate commerce, falls far short of proving that Blanchard Importings marks have become distinctive of Blanchard Importings goods in interstate commerce.

20. For these reasons Blanchard Importings may not prevail on the Lanham Act count. The fact that Blanchard Importings may not prevail under the Lanham Act count is not to be taken as an expression of any opinion by this Court that the defendants are entitled to register any form of the word "Blanchard" as a trademark.

Re the Common Law Count

21. Despite the invalidity of Blanchard Importings registrations, there exists pendent jurisdiction in this court under 28 U.S.C.A. 1338(b), on the state of this record. The rights of the parties are to be determined under

applicable State law. See *Flexitized Inc.* v. *National Flexitized Corp.*, 335 F.2d 774, 780-81 (2 Cir. 1964), cert. denied March 1, 1965, 33 U.S. L. Week, 3286.

22. It should be noted that plaintiffs have not been guilty of laches in the protection of their trademarks against infringement or unfair competition.

23. The evidence establishes, and I find, that the similarity between the trademarks used by plaintiffs and the trademarks used by defendants is so great that the beverage-consuming and retail purchasing public are likely to be confused, mistaken, and deceived as to whether they are buying plaintiffs' products on the one hand or whether they are buying products of the defendants on the other hand.

24. I further find that the downgrading of the notation "E. Blanchard et Fils" as a prominent part of the labels and the placing of the word "Blanchard" alone as the prominent "eye-catcher" on the labels is a very recent development which has taken place under the aegis of the defendant Monsieur Henri Wines, Ltd. It is this recent change in the format of the labels which has caused the confusion referred to in the preceding paragraph. The fact that E. Blanchard et Fils in years gone by distributed its product in bottles bearing labels which clearly identified the product as emanating from E. Blanchard or E. Blanchard et Fils, St. Lambert du Lattay, France, affords no defense to defendants' change of label so as to use the word "Blanchard" alone, capitalized and prominenty displayed, as the dominant word on the label.

25. I find that the first shipment by defendants into Massachusetts of wine bottles bearing the name "E. Blanchard et Fils" on their labels occurred in March of 1955, but I further find that well prior to this time, at least as early as February of 1947, plaintiff Blanchard & Co. was using the name "Blanchard" on quarts of Port, Sherry

and Muscatel wines. I base this finding on the sheaf of pages from the Boston Evening American for various dates in February 1947 which were placed in evidence as Plaintiffs' Exhibit H and J, and on the testimony of the witness John Carita.

26. I also find that the name "Blanchard," as used in this denominative or trademark fashion, acquired "secondary meaning" in the Greater Boston area. I so conclude on the basis of the length of time (at least since 1947) that "Blanchard" labels have been used by plaintiffs in a denominative fashion and on the basis of the local prominence which the name "Blanchard" has gained over many years through plaintiffs' extensive advertising and promotional efforts.

27. Basically there are two Blanchard companies in Massachusetts. One is Blanchard & Co., Inc., which is owned largely by its Treasurer, Mary Corey. Mary Corey is the wife of the witness John Corey. John Corey is the President Treasurer, and principal stockholder of Blanchard Importing & Distributing Co., Inc. This latter company was not organized until about 1961. Apparently there was no formal written assignment to it of the trademark rights which I find to have been acquired by Blanchard & Co. with regard to its private labels by its retail activities. However, I infer that it was the understanding, purpose and intention of the owners and management of Blanchard & Co. to transfer or delegate to Blanchard Importing whatever trademark rights the retail corporation acquired since the wholesale corporation was set up in order not only to expand the sales of goods with the Blanchard brand name but, also, to supply Blanchard's retail operations.

28. Although the evidence might have been presented more clearly, I rule that Blanchard Importing was sufficiently related to (in terms of its function and in terms of the close relationship of the stockholders of Blanchard Im-

porting and Blanchard & Co.) and sufficiently associated with Blanchard & Co. that the transfer of the trademark rights of Blanchard & Co., under these peculiar circumstances, was effective and did not run counter to the basic rationale of the rule that the right to the use of a trademark cannot be transferred in gross.

29. Alternatively, I rule that at the least Blanchard & Co. has not forfeited or abandoned its trademark rights even if no effective transfer of them to Blanchard Importing occurred.

30. The evidence clearly indicates that plaintiffs were selling wines and alcoholic beverages in Massachusetts under the name "Blanchard" or "Blanchard's" prior to the time when defendants commenced so to do, and the evidence indicates that defendants unless enjoined will continue so to do, with the resultant confusion and deception referred to above.

31. In the light of the fact that the evidence fails to show that plaintiffs have any given amount of business outside of Massachusetts, or that their name or marks have acquired secondary meaning outside of Eastern Massachusetts, no relief relating to States other than Massachusetts is warranted.

32. With reference to plaintiffs' prayer for an accounting, money damages, and attorneys' fees, suffice it to say that plaintiffs have not proven any monetary loss caused by defendants' activities. On the contrary, the evidence affirmatively shows a steady economic growth on the part of both plaintiffs. Nor has defendants' conduct herein amounted to the willful pirating of a valuable and long-established commercial name. E.g., *Tiffany* v. *The Boston Club, d/b/a Tiffany's,* 231 F.Supp. 836, 845 (D. Mass. 1964). This litigation results more from the economic collision caused by the normal expansion of the sales territories of both parties, each of whom began its expansion independently of

the other. See *Taussig* v. *Wellington Fund*, 313 F.2d 472, 481 (3 Cir. 1963); *Allen* v. *Standard Crankshaft & Hydraulic Co.*, 231 F.Supp. 301, 303 (W.D. N.C. 1964).

33. I rule that this is not a case in which it is appropriate to order an accounting or to award money damages or an attorney's fee.

34. Counsel for plaintiffs is directed to file a proposed form of decree consistent with this opinion within ten days from the filing hereof.

(s) ANDREW A. CAFFREY
U.S. District Judge

DECREE
April 30, 1965

CAFFREY, D.J.

After trial and in accordance with opinion filed herein on March 31, 1965, it is decreed as follows:

1. That the plaintiffs are the owners under Massachusetts law of the name and trademark "Blanchard" as applied to wines, and Blanchard & Co., Inc. was the first to use said name and trademark in the Commonwealth of Massachusetts, by applying it to wine sold in said Commonwealth, and Blanchard Importing & Distributing Co., Inc. is now the owner of "Blanchard" as applied to wines.

2. That before the filing of the complaint the defendants have been competing unfairly with the plaintiffs in the Commonwealth of Massachusetts by applying "Blanchard" to wines sold in said Commonwealth.

3. That the defendants Societe E. Blanchard et Fils and Monsieur Henri Wines, Ltd., their agents, representatives and employees be and they hereby are enjoined and restrained from advertising, marking, designating, shipping, displaying, selling and offering for sale, directly or in-

directly, their wines in the Commonwealth of Massachusetts, under the name or trademark "Blanchard." Societe E. Blanchard et Fils has the right to continue using its corporate name Societe E. Blanchard et Fils on its labels provided that the word "Blanchard" shall be in identical type with and no more conspicuous than the rest of its corporate name.

4. That there shall be no accounting for profits nor any assessment of damages for unfair competition against any of the parties, nor any award of counsel fees.

5. That the trademarks of United States trademark registrations issued to the plaintiff, Blanchard Importing & Distributing Co., Inc., numbered 734,309 issued July 10, 1962, number 738,341 issued September 25, 1962; and number 740,323 issued November 6, 1962 have not become distinctive of said plaintiff's goods in interstate commerce.

6. That the Commissioner of Patents is ordered to cancel the United States trademark registrations issued to the plaintiff Blanchard Importing & Distributing Co., Inc. numbered 734,309 issued July 10, 1962, number 738,341 issued September 25, 1962, and number 740,323 issued November 6, 1962.

7. That the complaint and counterclaims are otherwise dismissed.

8. Each party to bear its own costs.

(s) ANDREW A. CAFFREY
U.S. District Judge

Appendix D

PRODUCE OF FRANCE

ANJOU WINE

SHIPPED BY:

E. BLANCHARD & FILS

PROPRIÉTAIRES NÉGOCIANTS

SAINT-LAMBERT-DU-LATTAY (MAINE-ET-LOIRE)

ROSÉ

APPELLATION ANJOU CONTROLÉE

NET CONTENTS 1 PT. 8 FL. OZ. ALC. STR. 11 % BY VOLUME